



# ***News Release***

DEPARTMENT OF ECONOMIC SECURITY  
John L. Clayton, Director

**FOR IMMEDIATE RELEASE**

Visit our DES web site at  
[www.de.state.az.us](http://www.de.state.az.us)

**MEDIA CONTACT**

Fernando Vender  
(602) 542-4296

## **UNEMPLOYMENT TAX FOR ARIZONA EMPLOYERS REMAINS STEADY IN 2003**

(Phoenix - January 3, 2003) Arizona Department of Economic Security Director John L. Clayton announced today that the average unemployment insurance tax rate paid by Arizona employers will remain steady in 2003. Despite continuing high levels of unemployment in the state, the new established rate of 0.8% of taxable payrolls remains unchanged from the average rate employers paid in 2002.

Arizona's average rate is substantially lower than the average 2002 national tax rate of 1.8%. Unemployment taxes paid by Arizona employers are deposited into a fund which is used solely to pay benefits to qualifying Arizona workers who lose their employment through no fault of their own.

Arizona's unemployment tax rate is self-adjusting and counter cyclical, meaning that after periods of high unemployment the rates increase to replenish the fund as they did from 1992 to 1995. Once the fund begins to approach the desired balance, the rates begin decreasing again.

The 2003 tax rates for Arizona employers will range from 0.05% to 5.4%. On average, an Arizona employer will pay a minimum of \$56.00 annually for each employee. Arizona employers also enjoy the lowest tax base allowed by law of \$7,000. This means that taxes are paid only on the first \$7,000 in wages earned per employee. Forty states and the District of Columbia have a higher tax base than Arizona. Hawaii has highest tax base in 2002 at \$29,300.

